LIBRARY
SUPREME COURT, U. S.

No. 73-643

IN THE

Supreme Court of the United States

OCTOBER TERM 1973

Supreme Court, U. S.
FILED
OCT 12 1973
MICHAEL RODAK, JR., CLERK

BOURNS, INC. and MARLAN E. BOURNS,

Petitioners,

v.

ALLEN-BRADLEY COMPANY, BECKMAN INSTRUMENTS, INC., THE BUNKER-RAMO CORPORATION, FAIRCHILD CAMERA & INSTRUMENT CORP., TRW INC. and WESTON INSTRUMENTS, INC., on behalf of themselves and as representatives of others similarly situated,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

CLYDE F. WILLIAN
ROBERT L. HARMON
HUME, CLEMENT, BRINKS,
WILLIAN, OLDS & COOK, LTD.
One First National Plaza—#5150
Chicago, Illinois 60670

Counsel for Petitioners

FRANCIS X. BEYTAGH, JR.
NOTRE DAME LAW SCHOOL
Notre Dame, Indiana 46556

Of Counsel

TWENTIETH CENTURY PRESS, CHICAGO 60605

No.

IN THE

Supreme Court of the United States

OCTOBER TERM 1973

BOURNS, INC. and MARLAN E. BOURNS,

Petitioners,

v.

ALLEN-BRADLEY COMPANY, BECKMAN INSTRUMENTS, INC., THE BUNKER-RAMO CORPORATION, FAIRCHILD CAMERA & INSTRUMENT CORP., TRW INC. and WESTON INSTRUMENTS, INC., on behalf of themselves and as representatives of others similarly situated,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners, Bourns, Inc. and Marlan E. Bourns, pray that a Writ of Certiorari be granted to review the portion of the judgment of the United States Court of Appeals for the Seventh Circuit entered in the above entitled cause on June 14, 1973, affirming a part of the decision of the District Court.

CITATIONS TO OPINIONS BELOW

The District Court's opinion is reported at 348 F. Supp. 554 (N.D. Ill. 1972) and is printed at A-1.[1]

The opinion of the Court of Appeals dated June 14, 1973, is reported at 480 F.2d 123 and is printed at A-8. The decree of the Court of Appeals entered on June 14, 1973, appears at A-24. The order of the Court of Appeals denying a rehearing appears at A-25.

JURISDICTION

The Judgment of the United States Court of Appeals for the Seventh Circuit affirming a portion of a judgment of the United States District Court for the Northern District of Illinois, Eastern Division, was entered June 14, 1973. The Court of Appeals denied a timely petition for rehearing on July 17, 1973. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTION PRESENTED

When this Court announces a change in the law, but does not discuss or decide the matter of retroactivity or prospectivity, is its silence to be construed as a mandate for retrospective application of the change?

STATEMENT OF THE CASE

Petitioners Bourns, Inc. and its president Marlan E. Bourns filed this class action for patent infringement on August 11, 1970. Jurisdiction of the District Court was founded on 28 U.S.C. § 1338(a). Bourns, Inc. is a California corporation and is the exclusive licensee of Marlan Bourns' United States Patent No. 2,777,926.

---

[1] The abbreviation "A" is used herein to designate the Appendix bound with this Petition.

Respondents are six large corporations named in the complaint as defendants in their own behalf, and as representatives of a class consisting of all others who have infringed the '926 patent. In their answers respondents denied infringement and raised the traditional defense of invalidity.

Prior to the filing of this suit in the Northern District of Illinois, petitioners had brought suit on the same patent in Nebraska against Dale Electronics, Inc. In its judgment, entered in January, 1970, the Nebraska Court held claims 1, 2, 11, 14, 15, 16 and 20 of the '926 patent invalid for obviousness under 35 U.S.C. 103.[2] Petitioners filed a notice of appeal from that judgment, but after a change of counsel decided to dismiss the appeal and bring the present class action in the Seventh Circuit. This decision was based upon the then-prevailing rule of *Triplett* v. *Lowell*, 297 U.S. 638 (1936), that a patentee is not estopped to relitigate patent claims once held invalid against a different defendant.

Shortly after the filing of the present suit, however, this Court on October 19, 1970 granted certiorari in *Blonder-Tongue Labs., Inc.* v. *University of Illinois Found.*, 400 U.S. 864, and decided, *sua sponte*, to consider whether the rule of *Triplett* v. *Lowell* should be adhered to. In other words, the very rule upon which petitioners had relied, in abandoning their appeal in the *Dale* case and in filing this suit, was to be re-examined.

On May 3, 1971 this Court handed down its decision in *Blonder-Tongue Labs., Inc.* v. *University of Illinois Found.*, 402 U.S. 313 (1971), holding that *Triplett* "should be overruled to the extent it forecloses a plea of estoppel by one facing a charge of infringement of a patent that has once been declared invalid." 402 U.S. at 350.

---

[2] *Bourns, Inc.* v. *Dale Elec., Inc.*, 308 F. Supp. 501 (D. Neb. 1969).

At that point five of the six respondents amended their answers to plead collateral estoppel as a defense, and all joined in a motion for summary judgment on the ground that petitioners were collaterally estopped by the judgment in *Bourns* v. *Dale*, supra, from asserting the '926 patent.

On February 7, 1972, the District Court granted the motion and entered judgment for respondents. The effect of that decision was to estop petitioners as to all claims, not just those enumerated in the *Dale* judgment. As to petitioners position that they had been denied the *Blonder-Tongue* requisite of a "full and fair opportunity to litigate" through their reliance on the prevailing rule of *Triplett*, the District Court held there were "rumblings" of a change (A-2). As to the position that the retrospective application of *Blonder-Tongue* would be unjust, the District Court held that "justice in this matter is pre-empted by the *Blonder-Tongue* decision itself," (A-6) and petitioners' reliance on pre-*Blonder-Tongue* decisions when abandoning their appeal "is contrary to the holding of that controlling decision which abrogated the prior law." (A-5) Petitioners appealed.

On June 14, 1973 the Court of Appeals for the Seventh Circuit reversed in part and affirmed in part. With respect to the claims not asserted in the *Dale* case and not mentioned in the judgment entered in that case, the Court reversed and held there was no estoppel, in view of the classical rule that (A-10):

> [A prior judgment] operates as a collateral estoppel as to, but only as to, those matters or points which were in issue or controverted and upon the determination of which the initial judgment necessarily depended. 1 B Moore's Federal Practice 3777 (2d ed. 1965).

The Court of Appeals affirmed with respect to the claims specifically held invalid in the *Dale* suit, with Judge Pell dissenting. The majority adopted the view of the District

Court that "the Supreme Court in *Blonder-Tongue* implicitly rejected reliance on its prior decision in *Triplett* v. *Lowell, supra,* as an adequate basis for avoiding the general rule fashioned in the later decision." (A-11) As Mr. Justice Clark (sitting by designation) explained for the majority, "in overruling *Triplett,* the *Bonder-Tongue* Court did not see fit to rule prospectively, though it has so limited recent rulings in other contexts where retrospective application would work hardship and inequity." (A-12) In other words, the Court of Appeals concluded that because this Court did not specify that *Blonder-Tongue* was to be applied prospectively, it must have meant that the overruling of *Triplett* was a matter for retrospective application in all cases.

Judge Pell took sharp issue with this conclusion. As he pointed out (A-18):

> • • • When new law is established or, more importantly, when existing law is changed, it always is retrospective as to the particular litigant who is unsuccessful. This is inherent, for courts do not customarily give advisory opinions. This is a far cry though from inferring that the decision is retrospective as to other litigants who were relying on the pre-existing law.

The question presented here is thus clearly focused by the majority and dissenting opinions: Is the failure of this Court to rule prospectively to be understood, conversely, as a direction for retrospective application?

REASONS FOR GRANTING THE WRIT

Retroactivity has become, in the context of the work of the Supreme Court, one of the central problems of Federal procedure. In *Linkletter* v. *Walker,* 381 U. S. 618, 620 (1965), this Court "granted certiorari in order to settle what has become a most troublesome question in the administration of

justice." In the decade since *Linkletter*, the Court has decided the issue of retroactivity in more than thirty cases. Although the bulk of the litigation has been in the criminal field, the Court has not neglected the civil area. The result has been the formulation of a set of guidelines which were restated most recently in *Chevron Oil Co.* v. *Huson*, 404 U.S. 97, 106-07 (1971):

> In our cases dealing with the nonretroactivity question, we have generally considered three separate factors. First, the decision to be applied nonretroactively must establish a new principle of law, either by overruling clear past precedent on which litigants may have relied, see, e.g., *Hanover Shoe* v. *United Shoe Machinery Corp., supra*, at 496, or by deciding an issue of first impression whose resolution was not clearly foreshadowed, see, e.g., *Allen* v. *State Board of Elections, supra, at* 572. Second, it has been stressed that "we must . . . weigh the merits and demerits in each case by looking to the prior history of the rule in question, its purpose and effect, and whether retrospective operation will further or retard its operation." *Linkletter* v. *Walker, supra*, at 629. Finally, we have weighed the inequity imposed by retroactive application, for "[w]here a decision of this Court could produce substantial inequitable results if applied retroactively, there is ample basis in our cases for avoiding the 'injustice or hardship' by a holding of nonretroactivity." *Cipriano* v. *City of Houma*, supra, at 706.

Last term, this Court found that the *Chevron* factors dictated a holding of nonretroactivity in a noncriminal, constitutional case. *Lemon* v. *Kurtzman*, 411 U.S. 192 (1973).

It might have been hoped that, under *Chevron*, the lower courts could in most instances finally determine questions of retroactivity, with this Court finding it necessary to act only in cases of extreme intrinsic significance. But that

hope, in view of the instant majority opinion, is clearly misplaced. For the majority has chosen to regard this Court's silence as a mandate for retroactivity.

Thus there is presented here an important federal question which should be settled by this Court. The importance of the matter is largely due to the frequency with which it will arise. If silence is to be equated with retroactivity, then the parties (and amici) to a large proportion of the cases coming before this Court—those in which the Court may overrule a clear past precedent or decide an issue of first impression—will surely be ill-advised if they fail to brief and argue and urge resolution of the issue of retroactivity. To the extent it may be thought that the approach of the majority below represents a single isolated instance, it should be pointed out that at least the Ninth Circuit seems to have embraced identical reasoning. See *Reed* v. *United States,* 432 F.2d 205 (9th Cir. 1970). And it is not unreasonable to expect to find other courts following this approach, particularly in view of the frequency with which the issue of retroactivity must be considered.

The approach of the majority below is also in clear conflict with applicable decisions of this Court. If silence is to be equated with retroactivity, one might well ask why this Court took the trouble to formulate the *Chevron* guidelines. Why, indeed, did this Court find it necessary to decide *Lemon* v. *Kurtzman* last term? In *Lemon I* (403 U.S. 602) this Court was silent on the retrospective effect of its decision. Under the view of the instant majority, then, the Three-Judge District Court on remand should not have permitted state reimbursement to schools for services rendered prior to *Lemon I.* But it did, and this Court *affirmed* in *Lemon II.*

It is no answer to say, as did the majority below, that this Court has occasionally seen fit to rule prospectively, as in *Phoenix* v. *Kolodziejski*, 399 U.S. 204 (1970); *Cipriano* v. *City of Houma*, 395 U.S. 701 (1969); and *Allen* v. *State Board of Elections*, 393 U.S. 544 (1969). Those cases are unique in that the significant hardships which would have flown from retrospective application of the new ruling were obvious, and this Court required no airing, by a lower court, of the *Chevron* factors.

It would seem that the answer to the question presented here is implicit in numerous decisions of this Court, including *Lemon* and *Chevron*. But because the Court has in a few cases seen fit to rule prospectively in the first instance, at least some confusion exists as to the effect of its silence. The disagreement here between the majority and the dissent is an obvious manifestation of that confusion. Unless the Court clarifies the matter, the effect could be the undermining of the body of law developed in decisions such as *Linkletter*, *Chevron*, and *Lemon*.

The majority below simply presumed that this Court intended *Blonder-Tongue* to be applied retroactively in all cases. It neither mentioned *Chevron* nor pursued the analysis developed in that decision and its forerunners. Had it done so, it must necessarily have reached the conclusion of Judge Pell in dissent, whose opinion argues petitioners' position on the merits better than their counsel can. As he concluded (A-21):

> Applying the tests of *Chevron* to the present case: (a) a new principle of law was established by overruling clear past precedent on which litigants not only may but did in fact rely; (b) since litigants who have instituted lawsuits in reliance upon *Triplett* prior to

Blonder-Tongue must of necessity be relatively limited in numbers, retrospective application would scarcely seem to further the operation of the principle enunciated; and (c) there is an inherent inequitable result if the principle is applied retroactively with injustice being avoided by a holding of nonretroactivity.

Petitioners respectfully pray that the Court take this opportunity to make it clear that silence is not to be equated with a holding of retroactivity.

Respectfully submitted,

CLYDE F. WILLIAN
ROBERT L. HARMON
HUME, CLEMENT, BRINKS,
WILLIAN, OLDS & COOK, LTD.
One First National Plaza—#5150
Chicago, Illinois 60670

Counsel for Petitioners

FRANCIS X. BEYTAGH, JR.
NOTRE DAME LAW SCHOOL
Notre Dame, Indiana 46556

Of Counsel